

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 L-03 FRB-03 OMB-01
ITC-01 SP-02 USIA-06 AGRE-00 AID-05 CIAE-00
COME-00 INR-07 LAB-04 NSAE-00 OIC-02 EPG-02
SIL-01 STR-04 TRSE-00 CEA-01 AF-10 ARA-10 EA-07
NEA-10 /112 W

-----152052Z 079346 /65

R 151625Z JUN 77

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 0276

INFO ALL EC CAPITALS

USMISSION GENEVA

C O N F I D E N T I A L BRUSSELS 06144

USEEC

ROME ALSO FOR FODAG

PARIS ALSO FOR OECD

E.O.11652: GDS

TAGS: ETRD, UNCTAD, EEC

SUBJECT: FIRST UNCTAD PREPCOM ON COTTON, JUNE 20-24,
AND UNCTAD JUTE QUESTIONNAIRE

REF: (A) BONN 9970, (B) BRUSSELS 5661,
(C) EC BRUSSELS 5489, (D) EC BRUSSELS 5412

1. SUMMARY: EC COMMISSION OFFICIALS TELL US THAT EC
WORKING GROUP GENERALLY FAVORS AN OPEN-MINDED,
ANALYTICAL POSITION IN THE UNCTAD COTTON PREPCOM.
MEMBER STATE VIEWS DIFFER, HOWEVER. EC, NEVERTHELESS,
WILL LIKELY AGREE TO OPENING STATEMENT. EC GROUP
POSTPONED DECISION ON WHETHER TO RESPOND TO UNCTAD
QUESTIONNAIRE ON JUTE. END SUMMARY.

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2. MISSION OFFICER DISCUSSED WITH EC COMMISSION
OFFICIAL PAOLI, DG-I, AND LE HEMBRE, DG-III, RESULTS
OF JUNE 9 EC RAW MATERIALS WORKING GROUP'S PREPARATIONS
FOR SUBJECT MEETING. AS INDICATED IN REF. A, GROUP
REACHED NO COMMON POSITION, BUT COMMISSION OFFICIALS
BELIEVE NINE WILL SUPPORT A GENERAL OPENING STATEMENT
INDICATING THAT EC IS OPEN-MINDED REGARDING COTTON

DISCUSSIONS AND IS PREPARED TO LOOK INTO THE PROBLEMS OF COTTON PRODUCERS. SEVERAL MEMBER STATES, SUCH AS THE FRG, REGISTERED SERIOUS CONCERN OVER THE POSSIBILITY OF ESTABLISHING AN INTERNATIONAL COTTON AGREEMENT (ICA) WITH BUFFER STOCKS. OTHERS, SUCH AS FRANCE AND THE NETHERLANDS, TOOK A FLEXIBLE POSITION ON THIS ISSUE. INSTEAD OF ADDRESSING THIS ISSUE AT THIS TIME, THE EC FAVORS SETTING UP AN EXPERT GROUP TO STUDY ALL RELEVANT ASPECTS OF POSSIBLE ICA AND TO REPORT BACK TO PREPCOM.

3. SEVERAL MEMBER STATES MADE THE POINT THAT PREPCOM SHOULD STICK TO POINT IN NAIROBI RESOLUTION THAT ICA SHOULD SEEK HARMONIZATION OF COTTON AND SYNTHETIC PRODUCTION, I.E., NO LIMITS SHOULD BE PLACED ON PRODUCTION OF SYNTHETICS. THE GROUP ALSO CONCLUDED THAT AN ICA SHOULD NOT INCLUDE COTTON YARN, BUT ONLY RAW COTTON, BECAUSE YARN IS COVERED BY MFA.

4. THE EC WORKING GROUP DID NOT DECIDE ON ANY SPECIFIC STUDIES TO BE UNDERTAKEN. THE COMMISSION, HOWEVER, IS DRAWING UP A PROPOSED LIST TO INCLUDE: 1) AN ANALYSIS OF COTTON PRODUCTION COSTS WITH A VIEW TO DETERMINING IF THERE COULD BE AN INDICATIVE FIGURE APPLICABLE TO ALL PRODUCING COUNTRIES; 2) WHAT HAVE BEEN THE DETERMINANTS IN FLUCTUATIONS OF COTTON PRICE AND WHICH OF THESE FACTORS ARE ATTRIBUTED TO CHRONIC, LONG-TERM PROBLEMS; 3) AN ASSESSMENT OF VARIOUS COTTON VARIETIES, AND OF TECHNICAL POSSIBILITIES TO HARMONIZE THESE VARIETIES; AND 4) A STUDY OF MEASURES TO ASSIST THE

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POOREST PRODUCERS TO EVEN OUT SUPPLY, SUCH AS BUILDING UP NATIONAL STOCKS, AS APPROPRIATE.

5. THE EC GROUP ALSO BRIEFLY TOOK UP THE UNCTAD QUESTIONNAIRE ON JUTE. THE UNCTAD SECRETARIAT HAD NOT YET RESPONDED TO THE COMMISSION'S SUGGESTION (SEE REF. D) THAT ALL PARTICIPANTS IN THE JUTE DISCUSSION RESPOND TO THE QUESTIONNAIRE. AS A RESULT, THE GROUP POSTPONED TAKING A DECISION ON THIS MATTER, BUT THE COMMISSION CONTINUES TO GATHER DATA TO RESPOND TO THE QUESTIONNAIRE, SHOULD THE GROUP DECIDE TO DO SO. THIS ISSUE WILL BE TAKEN UP AGAIN IN THE FIRST HALF OF JULY.

6. A MISSION OFFICER ALSO SPOKE WITH THE SECRETARY OF THE INTERNATIONAL INSTITUTE FOR COTTON, HARPAL LUTHER, REGARDING INSTITUTE'S VIEWS TOWARD COTTON PREPCOM. LUTHER SAYS THE INSTITUTE DOES NOT FAVOR AN ICA WITH BUFFER STOCKS, BECAUSE SUCH STOCKS ARE NEITHER ECONOMICALLY FEASIBLE NOR DESIRABLE. INSTEAD, THE INSTITUTE FAVORS INTERNATIONAL EFFORTS TO STIMULATE

FINAL CONSUMER DEMAND FOR COTTON PRODUCTS. THE INSTITUTE HAS PREPARED A PAPER IN THIS REGARD, COPIES OF WHICH WE ARE SENDING TO USMISSION GENEVA AND EB/ORF/FTD - ANGEVINE. THE INSTITUTE DIRECTOR FOR INTERNATIONAL AFFAIRS, HUMBERSTON, WILL ATTEND PREPCOM AS AN OBSERVER. HINTON

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Jun-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE06144
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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From: BRUSSELS
Handling Restrictions: n/a
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Office: ACTION EB
Original Classification: CONFIDENTIAL
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To: STATE
Type: TE
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